

The future holds challenges for Orange County. That has always been the case. This year the challenges are shrouded by a great degree of uncertainty. While the County cannot prevent external challenges, it can manage them. The County's leadership has the experience and the tools. These tools include annual business plans, a budget with measurable objectives, and unique to Orange County, an annual Strategic Financial Plan. A very wise man once said "One of the tests of leadership is the ability to recognize a problem before it becomes an emergency."

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The Strategic Financial Plan provides the ability to recognize looming problems, before they become emergencies. The 2002 Plan demonstrates that even without the impacts of September 11, 2001, uses of General Purpose Revenue would outstrip sources, beginning in Fiscal Year 2006-2007. This "early warning" allows the County time to make reasoned "mid-course" corrections that prevent drastic cost reductions, if the projected gap materializes. Now faced with external challenges not factored in to the 2002 forecast, the Strategic Financial Plan is a tool that will be used to manage those and future challenges.

